

Message Text

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PAGE 01 BRUSSE 13598 120928Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 IO-14 TRSE-00 CTME-00 /035 W
-----103608 130757Z /23

R 120930Z JUL 78
FM AMEMBASSY BRUSSELS
TO SECSTATE WASHDC 7787

UNCLAS BRUSSELS 13598

DEPARTMENT FOR EB/ITP/OT/STA AND IO/IBC/BA

DEPARTMENT PASS TREASURY FOR CUSTOMS

E.O. 11652: N/A
TAGS: CCC, BE
SUBJECT: CCC: SECRETARY-GENERAL'S VIEWS ON TAX STATUS OF
US EMPLOYEES

REF: EMBASSY'S A-217 (OCTOBER 28,1977)

1. BEGIN SUMMARY CUSTOMS COOPERATION COUNCIL SECRETARY
GENERAL ANNEZ DE TABOADA WROTE AMBASSADOR CHAMBERS ON
JULY 4 TO EXPRESS CONCERN OVER THE TAX STATUS OF US
CITIZENS EMPLOYED BY THE CCC AND TO PROPOSE AN OECD-
STYLE TAX REIMBURSEMENT AGREEMENT BETWEEN US AND CCC.
ACTION REQUESTED: ADVISE FOR RESPONSE TO SECGEN. END
SUMMARY.

2. SECGEN'S LETTER RECALLS THAT CCC CONVENTION PROVIDES
THAT COUNCIL OFFICIALS SHALL BE EXEMPT FROM TAXATION ON
SALARIES AND EMOLUMENTS PAID BY THE COUNCIL. US ACCESSION
TO CCC WAS ACCOMPANIED BY RESERVATION ON THIS PROVISION,
WITH RESULT THAT US CITIZENS EMPLOYED BY CCC ARE TREATED
FOR US TAX PURPOSES IN SAME WAY AS OTHER US CITIZENS
WORKING ABROAD. US IS ONLY ONE OF 82 MEMBERS OF CCC
WHO DO NOT ACCEPT TAX EXEMPTION PROCEDURE.

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3. SECGEN NOTES THAT SITUATION FOR US STAFF HAS BECOME
MORE ACUTE FOLLOWING DEPRECIATION OF DOLLAR VIS-A-VIS
BELGIAN FRANC (CCC SALARIES ARE PAID IN BELGIAN FRANCS)
AND THE LOWERING OF TAX EXEMPTIONS FOR US CITIZENS ON
INCOME EARNED OVERSEAS. COMBINATION RESULTS IN HEAVY TAX
BILL FOR CCC'S FIVE US EMPLOYEES WITH POSSIBILITY THAT

SOME MAY DECIDE TO LEAVE SECRETARIAT.

4. SECGEN ASKS THAT US AUTHORITIES CONSIDER AS QUOTE
MATTER OF URGENCY UNQUOTE PUTTING US MEMBERS OF CCC ON
SIMILAR FOOTING WITH STAFF FROM OTHER COUNTRIES. HE
SUGGESTS THAT THE US AND THE CCC WORK OUT AN ARRANGEMENT
COMPARABLE TO ONE INVOLVING US MEMBERS OF THE OECD STAFF
WHEREBY USG AGREED TO REIMBURSE TAXES WHICH US STAFF
HAVE TO PAY.

5. SECGEN HOPES THAT AGREEMENT ON THESE LINES CAN BE
CONCLUDED AT AN EARLY DATE AND PROPOSES THAT
DISCUSSIONS TAKE PLACE BETWEEN APPROPRIATE US AND CCC
OFFICIALS IN ORDER TO SETTLE PRACTICAL DETAILS OF RE-
IMBURSEMENT.

6. LETTER BEING POUCHED TO EB/TP/OT/STA.

7. ACTION REQUESTED: PLEASE ADVISE FOR REPLY TO SECGEN.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAXES
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Draft Date: 12 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
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Executive Order: N/A
Errors: N/A
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Format: TEL
From: BRUSSELS
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ISecure: 1
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Litigation Codes:
Litigation History:
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Original Classification: UNCLASSIFIED
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Subject: CCC: SECRETARY-GENERAL'S VIEWS ON TAX STATUS OF US EMPLOYEES
TAGS: EFIN, BE
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